

## SUBCOMMITTEE NO. 2

## Agenda

Byron Sher, Chair  
Sheila Kuehl  
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### PART I

Thursday, May 22, 2003  
Upon Adjournment of Session  
Room 112

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### Resources--Environmental Protection—Public Safety—Energy

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## Proposed Consent Items

*Staff Recommendation:* Staff recommends the Subcommittee approve the following issues and finance letters. No issues or objections have been raised with these proposals.

### **0552 Office of the Inspector General.**

#### **1. May Revise: Annuitant Health and Dental Benefits**

*Finance Letter Request.* This Finance Letter proposes to decreased the OIG budget by \$13,000 to offset increased annuitant health and dental benefit costs resulting from employees retiring under the Early Retirement Program. A corresponding increase to Item 9650-001-0001 will be made.

### **0820 Department of Justice**

#### **2. License 2000 Database System**

It is requested that Item 0820-491 be added to the Budget Bill to provide a reappropriation for funding authorized by the 2002 Budget Act. This item would reappropriate \$1,052,000 Indian Gaming Special Distribution Fund and \$263,000 Gambling Control Fines and Penalties Account to allow the Department of Justice (DOJ), along with the GCC, to develop and implement the License 2000 Database System.

#### **3. Forensic Services Costs to Local Agencies**

It is requested that this item be increased by \$3,500,000, with a corresponding decrease in Reimbursement authority. This proposal would restore the funding to support the costs of forensic services provided to local governments and eliminate the need to charge them for these services.

#### **4. “Do Not Call” Program**

It is requested that this item be increased by \$261,000 to provide State-level resources to assist in complaint monitoring, enforcement, and database management for the federal “Do Not Call” program. This funding would provide support to assist California consumers with complaints and enforcement of the federal program.

#### **5. Spousal Abuse Prosecution Program**

It is requested that the budget be increased by \$3,183,000 to restore funding for local assistance, and program staffing and management of local assistance grants that assist counties in the prosecution of domestic violence cases.

#### **6. Appeals, Writs, and Trials Workload**

It is also requested that this item be increased by \$3,669,000. This augmentation would provide funding and staffing for DOJ to address increased criminal case workload in the Appeals, Writs and Trials Section of the Criminal Law Division.

#### **7. Mandates Language**

It is requested that language be added to Item 0820-295-0001 to suspend the Misdemeanors: Booking/Fingerprinting mandate.

**8. Energy Litigation**

*Finance Letter.* The Administration has proposed a Finance Letter to increase the amount requested by \$4.9 million on a two-year limited term basis due to workload that has materialized since January. The Finance Letter also proposes budget bill language which would direct the Attorney General to petition the courts for recovery of costs and to deposit them in the general Fund to repay Energy Task Force costs.

**0855 Gambling Control Commission****9. May Revise: Reappropriation for the License 2000 Database System.**

It is requested that Item 0855-491 be added to the Budget Bill to provide a reappropriation for funding authorized by the 2002 Budget Act. This item would reappropriate \$58,000 Indian Gaming Special Distribution Fund and \$15,000 Gambling Control Fund to the CGCC to allow the Commission, along with the Department of Justice, to develop and implement the License 2000 Database System.

**5240 Department of Corrections****10. Sick Leave Relief Factor Shortfall**

Finance Letter proposing an increase of \$4,809,000 to correct the amount budgeted in the 2003-04 Governor's Budget for Sick Leave Relief. The original sick leave request was understated due to the use of an incorrect base allocation for sick leave.

**11. Education Reduction Revision**

An increase of \$11,310,000 is requested to correct the reduction proposed for the Department's education budget. With this adjustment, the Department's education budget will be reduced by a total of \$34.9 million, which will bring the budget to a level commensurate with historical expenditures and not result in any teacher layoffs or reduced educational opportunities for inmates.

**12. Reappropriations**

The addition of Item 5240-493 is proposed to reflect the reappropriation of \$11,695,000 for repair and replacement of electromechanical doors, \$1,564,000 for upgrade of the Distributed Data Processing System, \$772,000 for upgrade of the Interim Parolee Tracking System, and \$638,000 for the Health Insurance Portability and Accountability Act.

**13. Delay Implementation of Delano II**

A decrease of \$8,760,000 General Fund and 127.9 positions is proposed to reflect a 12 month delay in the activation of Delano II. In addition, Budget Bill Language that specifies an activation date of no later than April 30, 2005 is proposed.

**14. Delay of 500 Substance Abuse Beds**

A decrease of \$5,432,000 General Fund and 9 positions is proposed to reflect a delay of the activation of 500 Substance Abuse Treatment Beds for 12 months.

**15. Regional Administrators' Offices**

A decrease of \$625,000 General Fund and 9 positions is proposed to reflect a reduction in the administration of the Regional Offices.

**16. Reduction of Internal Affairs**

A decrease of \$956,000 General Fund and 16 positions is proposed to reflect a deactivation of the Office of Investigative Services, Internal Affairs-Southern Region Office, and the transfer of some staff to the Northern and Central Region Offices.

**17. Elimination of 7k Correctional Sergeants**

A decrease of \$2,311,000 General Fund and 32 positions is proposed to reflect the elimination of Correctional Sergeants associated with the existing 7k training program.

**18. Reduction of Management Positions**

A decrease of \$2,320,000 General Fund and 50 positions is proposed to reflect the reduction of management positions at institutions statewide.

**19. Span of Control for Parole Administrators**

A decrease of \$1,347,000 and 13.5 positions is proposed to reflect an increase in the span of control for Parole Administrators from supervision of five parole offices to eight parole offices.

**20. Various Health Care Services Program Reductions**

A decrease of \$12,995,000 General Fund is proposed to reflect improved pharmacy prescription protocols, reduced referrals to outside emergency/urgent care facilities, and reduced disease category requests for service.

**21. Salinas Valley Psychiatric Program Activation Delay**—A decrease of \$1,000,000 General Fund is proposed to reflect the revised activation schedule for the Salinas Valley Psychiatric Program.

**22. Shift Funding from General Fund to General Obligation Bonds**

This Finance Letter requests to add Item 5240-302-0747 for a total of \$2.776 million to reflect a fund shift from General Fund, Item 5240-301-0001 to General Obligation Bonds for the three following projects:

1. Increase \$1.06 million for Construction, for the Duel Vocational Institution, Tracy: Infirmary Heating, Ventilation and Air Conditioning project.
2. Increase \$1.25 million for Working Drawings (\$155,000) and Construction (\$1.095 million) for the California Institution for Men, Chino: Cell Security Lighting project at the Reception Center Central Facility.
3. Increase \$466,000 for Preliminary Plans (\$211,000) and Working Drawings (\$255,000), for the California Institution for Men-East, Chino: Electrified Fence project.

**23. Delano II Reversion.**

This Finance Letter proposes to add Item 5240-496 to reflect the reversion of \$2.815 million in construction funds from Item 5240-301-0747, Budget Act of 2002 for the construction at California State Prison, Kern County at Delano II. These funds were originally intended to pay down interim financing bonds to avoid issuing lease-revenue bonds prior to a significant level of construction being complete. Upon further discussions with State bond counsel, it has been determined that this funding is not necessary.

**24. Condemned Inmate Complex.**

*Budget Request.* The budget proposes \$220 million from lease revenue bonds for the design and construction of a Condemned Inmate Housing Complex at San Quentin to accommodate the male inmate population on death row. The complex will consist of approximately 1,000 maximum security cells, and will also include program and support space, a law library, visiting, religious space, exercise yards, a Correctional Treatment Center, and a lethal electric fence. The CDC expects that the construction would be completed by summer 2007. The complex would be based on the 180-degree design used for housing Level IV inmates.

**5440 Board of Prison Terms****25. May Revise: Workload Projections**

It is requested that Item 5440-001-0001 be decreased by \$3,513,000 and 25.5 positions to address revised hearing workload projections. This proposed adjustment reflects a decrease in the projected level of parole revocation and mentally disordered offender hearing workload, as well as a decrease in the projected level of inmate parole consideration hearing workload. Also, the proposed adjustment reflects a revision to the number of annual work hours available for staff to conduct hearings and reviews. As part of the request, the letter proposes the following budget bill language related to a workload analysis:

1. The Board of Prison Terms shall complete a workload analysis for the purposes of determining the appropriate workload standards to be utilized in their Hearing Workload Budget Change Proposal. The analysis shall include the amount of time necessary to complete each hearing or review and the number of hours and days per year available for hearing staff to complete hearings and reviews.

**26. May Revise: Mentally Disordered Offender Process**

This Finance Letter requests the withdrawal of the trailer bill language that proposed to revise the Mentally Disordered Offender process included in the 2003-04 Governor's Budget and restoration of \$384,000 associated with the Mentally Disordered Offender independent evaluations. However, to fully offset the restoration, we propose to reduce the Board's budget by \$384,000 and 2.4 Deputy Commissioner positions. This adjustment does not affect the total funding level in this item.

**5450 Youthful Offender Parole Board.****27. May Revise: Consolidation of YOPB**

It is requested that Item 5450-001-0001 be decreased by \$1,643,000 to reflect the reduction of half-year funding for the Youthful Offender Parole Board, associated with the implementation of Chapter 4, Statutes of 2003 (Senate Bill 459). Effective January 1, 2004, Chapter 4, Statutes of 2003 eliminates the functions of the Board and instead consolidates the function of the Board within the Youth Authority. Add provisional language to Item 5450-001-0001 as follows:

No later than February 28, 2004, the Controller shall transfer any unencumbered funds in Item 5450-001-0001 as of February 1, 2004, to and in augmentation of Item 5460-001-0001. Any obligation incurred after January 1, 2004, shall be charged to Item 5460-001-0001.

**5460 Youth Authority****28. Senior Youth Correctional Counselor/Sergeant Relief**

An increase of \$1,496,000 General Fund and 23 positions to provide Youth Correctional Counselor/Sergeant regular day off relief on open dorm living units, in accordance with the Memorandum of Understanding between the State of California and the California Correctional Peace Officers Association.

**29. Sick Leave Relief**

An increase of \$1,089,000 General Fund is proposed to address the increased cost of sick leave coverage for posted positions.

**30. Physicians Call-Back Pay Costs**

An increase of \$73,000 General Fund is proposed to cover the increased cost of providing seven-day a week on-call coverage for physicians.

**31. Northern California Youth Correctional Center Laundry Costs**

An increase of \$24,000 General Fund is proposed for costs associated with transporting laundry to the nearest Prison Industry Authority facility at Mule Creek State Prison in Ione.

**32. 5460-495, Proposition 98 Reversion**

It is requested that \$615,000 be reverted from Item 5460-011-0001 into the Proposition 98 Reversion Account.

**33. English Learner Program**

*Budget Request.* The budget proposes a total of \$723,000 for this program in the budget year. In addition, the administration proposes \$1.1 million for a three-year plan to certify all Youth Authority teachers meet the needs of English Language Learners.

**8120 POST****34. Suspend Training Mandates.**

It is requested that language be added to Item 8120-295-0001 to suspend the Elder Abuse, Law Enforcement Training and Law Enforcement Sexual Harassment Training mandates.

**35. Reinstate Local Training Reimbursement**

It is requested that Item 8120-101-0268 be added in the amount of \$25.5 million and that Control Section 24.10 be amended to reflect a \$14 million transfer from the Drivers' Training Penalty Assessment Fund to the Peace Officer Training Fund. These changes would restore funds for local law enforcement agency reimbursement costs associated with peace officer training. It is also requested that Budget Bill language be included in Item 8120-101-0268 that specifies the use of these funds and is consistent with language included in previous budget acts. The proposed language is provided on Attachment A. The proposed amendments to Control Section 24.10 are reflected in Attachment B.

**8700 Victim Compensation and Government Claims Board****36. Annuitant Health and Dental Benefits.**

It is requested that Item 8700-001-0214 be decreased by \$81,000 and that Item 8700-001-0001 be amended to reflect this change for the purpose of offsetting increased annuitant health and dental benefit costs resulting from employees retiring under the Early Retirement Program. A corresponding increase to Item 9650-001-0001 is also being requested.

**37. Technical Correction to Achieve Savings Reflected in the 2002 Budget Act**

It is requested that trailer bill language be adopted that would authorize the Department of Transportation to deny tort claims valued at less than \$5,000, as specified. This revision provides a technical correction to language enacted in AB 3000 (Chapter 1124, Statutes of 2002), and would enable the Board to achieve the General Fund savings reflected in the 2002 Budget Act.

Action.

## 0552 Office of the Inspector General

### Issue

#### 1. Proposed Reductions.

*Budget Request.* The budget proposes to reduce a total 19 positions and 1.8 million by the budget year.

*Proposed Trailer Bill Language.* As part of the reduction proposal, the administration is proposing trailer bill language that would have the effect of reducing workload for the OIG. Under current law, the OIG is required to conduct management audit reviews of CDC wardens and CYA superintendents who have held their positions for more than four years, or upon the confirmation or appointment of a new warden or superintendent. The proposed trailer bill language removes these requirements and provides that the OIG may conduct management audit reviews. With respect to retaliation investigations, current law requires the OIG to commence an investigation within 30 days upon receiving a complaint of retaliation from an employee. The proposed trailer bill language removes the 30 day requirement and provides that the OIG may commence retaliation investigations.

*Staff Comments.* The Subcommittee has received a letter from Senator Karnette regarding the trailer bill language for the OIG. Specifically, the letter notes concerns with the secretive nature of OIG investigations and audits, and indicates that greater disclosure would only serve to further the interests of the public and Legislature since these are publicly funded agencies.

Under current law, audits may only be disclosed in confidence to the Governor, a member of the Legislature, the appropriate director or chair of a department and the Secretary of the Youth and Adult Correctional Agency. Including the following language would give the public, including the employees of the audited entity access to the audits:

Any Member of the Legislature or the public may request and shall be provided with a copy of any audit by the Inspector General, including a management review audit or a special audit or review. An audit that involves potential criminal investigations or prosecution, or security practices and procedures, shall be considered confidential, and its disclosure shall not be required pursuant to the authority of this subdivision.

The Inspector General's investigations are subject to even greater restriction. The results may not be disclosed, in confidence, to anyone except the Governor, the appropriate director or chair of a department and the Secretary of YACA. As a result, the person who requested the investigation (even if it was a member of the Legislature), the subject of the investigation, and any other member of the Legislature cannot know the results of the investigation. The following language would make a summary of the findings available to these people:

Upon completion of any investigation, the Inspector General shall prepare a written report, which shall be held as confidential and disclosed, in confidence, only to the secretary of the Youth and Adult Correctional Agency, the Governor, the appropriate director or chair, or a law enforcement agency in furtherance of its duties. A summary of the report's findings and conclusions shall be made available, upon request, to the following: (1) the person that requested the investigation, (2) the person or persons that were subjects of the investigation, and (3) to any Member of the Legislature.

Finally, while giving the public and Legislature greater access to this information is important, some confidentiality is important. Appropriate levels of confidentiality can be maintained by including language such as the following:

Nothing in this section shall preclude the office of the Inspector General from following all applicable laws regarding confidentiality, including, but not limited to, the California Public Records Act, the Public Safety Officers Procedural Bill of Rights, the Information Practices Act of 1977, the Confidentiality of Medical Information Act, and the provisions of Section 832.7 relating to the disposition notification for complaints against peace officers.

*Staff Recommendation.* Staff recommends approval of the proposed reductions, with the preceding language added to the proposed trailer bill language for the department.

Action

## 0550 Secretary for Youth & Adult Correctional Agency

*Budget Overview* - The total proposed budget for the Youth and Adult Correctional Agency is \$1.2 million, which is a decrease of \$53,000, or 4.2 percent, from estimated current year expenditures.

### 1. CYA PROP 98 Funding Report.

*Supplemental Report Language.* Last year, the Legislature adopted Supplemental Report Language directing the California Youth Authority to report on the methodology for determining the level of education funding in its caseload adjustments. The report, due November 1, 2002, has not be received by the Legislature.

*Staff Comments.* The language was adopted because serious questions have been raised about the quality of education services provided in CYA. The staffing ratios for teachers have not changed in at least the last 20 years. For purposes of assumptions for special education needs, the proposal assumes 23 percent of the wards at CYA have identifiable special education needs. This assumption has also not changed recently, and may not accurately reflect the CYA's current population.

*Staff Recommendation.* Staff recommends deleting the budget for YACA pending receipt and review of the CYA Prop 98 report due to the Legislature last November.

Action.

## 0820 Department of Justice

### Issues

#### 1. CYA Class Action Lawsuit.

*Budget Request.* The budget requests \$4.3 million for DOJ to defend the Youth Authority in this lawsuit. The funding request is for DOJ's projected costs of the case leading up to a possible trial. These costs include expenses related to the discovery process and contracting with subject area experts for defense testimony. In addition, the plaintiffs have filed a state lawsuit because the court significantly narrowed the scope of the federal suit.

*Section Letter Denied.* A similar request in a section letter for current year costs of \$10.7 million was previously denied by the Legislature.

*Analyst's Recommendation.* The LAO recommends deletion of the request because the parties will probably reach settlement. The LAO further recommends adoption of the following budget bill language to allow DOJ to submit a funding request in the event that settlement is not reached.

0820-001-0001 Provision X. Notwithstanding section 27.00 of the *2003-04 Budget Act*, the Department of Finance may submit a deficiency request if *Stevens v. Harper* proceeds to trial in federal or state court, or if expert consultant costs are incurred from settlement negotiations in this case.

*Finance Letter Request.* In a Finance Letter request, the Administration is proposing the following budget bill language due to the uncertainty of costs in the budget year. The Finance Letter indicates that the administration will not know until at least May or June of 2003 whether the case will be settled, or, if

0820-001-0001 Provision X. Of the amount included in Schedule (7) of this item, \$4,263,000 is available for costs related to litigation in the matter of *Stevens v. Harper*. These funds are to be made available subject to the Department of Justice providing a detailed cost justification for expenditures related to this litigation and upon receiving approval from the Department of Finance.

it will go to trial.

*Staff Recommendation.* Staff recommends adopting the LAO recommendation. The LAO language allows, for additional oversight by the Legislature through the regular section letter process.

Action

#### 2. Forensic Lab Positions

*Budget Request.* The budget proposes \$1.5 million and 13 permanent criminalist positions to reduce a backlog of cases awaiting forensic analysis in state Department of Justice (DOJ) forensics labs. DOJ's Bureau of Forensic Services has 10 regional labs that provide forensic crime evidence analysis primarily to local law enforcement agencies, as well as to state and federal agencies, located throughout the state that do not have their own labs. Criminalists analyze physical evidence of criminal events and interpret their findings in courts of law.

*Analyst's Recommendation.* The LAO recommends deletion of the \$1.5 million requested for 13 permanent criminalist positions. The LAO believes that vacancies in these positions have contributed to the backlog of cases and that filling current vacancies could help reduce the backlog.

*Staff Recommendation.* Staff recommends adopting the LAO recommendation for a savings of \$1.5 million.

Action.

### 3. Public Rights Law Enforcement Special Fund

*Budget Request.* The budget proposes a reduction of \$500,000 for the Public Rights Division from the General Fund and would appropriate \$500,000 from the proposed Public Rights Law Enforcement Fund.

*Trailer Bill Language.* Existing law entitles the DOJ to recover from defendants named in a charitable trust enforcement action all actual costs incurred in conducting action, as specified. The Administration has proposed trailer bill language that would entitle the DOJ to recover all reasonable attorneys fees and costs, and that whenever the DOJ prevails in a civil action to enforce specified public rights, the court shall award to the DOJ all costs of investigating and prosecuting the action, including expert fees, reasonable attorney fees and costs. The bill establishes the Public Rights Law Enforcement Special Fund. These funds collected pursuant to the bill would be deposited into the special fund, to be administered by the DOJ to support the investigation and prosecution of any matter within the authority of the Public Rights Division.

*Staff Recommendation.* Staff recommends approval of the request and the proposed trailer bill language.

Action.

### 4. Medi-Cal Fraud

The Select Committee on Government Oversight has presented a recommendations to the Subcommittee that DOJ's Bureau of Medi-Cal Fraud and Elder Abuse (BMFEA) work more closely with the Fraud Prevention Bureau of the Department of Health Services (DHS), and recommends that DOJ make use of the state grand jury provision provided through Chapter 22, Statutes of 2000 (AB 1089, Romero). The DOJ has sent a letter responding to the recommendations to the Subcommittee.

*May Revise Proposes an Increase to Medi-Cal Fraud in DHS.* The May revise proposes to add 315 positions in Fraud Prevention Bureau of DHS, more than doubling the number of investigators. There was no increase at the DOJ for prosecution of the additional cases that are likely to be produced.

*Staff Comments.* The BMFEA receives an annual grant from the US Department of Health Services to fund its operational costs. The amount of the grant is 300 percent of the amount appropriated by the state—a funding ratio of 1:3.

*Staff Recommendation.* Staff recommends the use of False Claims Act funds to provide additional funding for the BMFEA. Staff recommends an augmentation of \$500,000 from the False Claims Act Fund, and a resulting \$1.5 from federal funds for a total of \$2 million and 13 positions for the BMFEA to investigate and prosecute Medi-Cal fraud. In addition, in order to increase the coordination between the BMFEA and DHS, staff also recommends the following budget bill language.

Of the funds appropriated for this item for the Bureau of Medi-Cal Fraud and Elder Abuse and the funds in the item for DHS, the two agencies shall assign a portion of those resources to develop a strike team task force which they shall use to promptly identify, investigate, and prosecute Medi-Cal fraudulent providers. This Task Force shall be constructed in a manner that fully complies with federal statutes and regulations governing their activities.

Action

## 5. Oversight of Electricity Contract Settlement Funds

**LAO Recommendation.** In order for the Legislature to evaluate the proposed and future uses for settlement funds to the state resulting from renegotiated electricity contracts, the LAO recommends that the Legislature's hold hearings on the issue of the proper disbursement of these funds. However, in the interim, the LAO recommends the enactment of legislation to establish a fund for the deposit of any cash settlements to the state and make the funds available upon appropriation by the Legislature.

**Staff Recommendation.** The subcommittee may wish to consider the following options:

- 1.) Take no action on this issue and continue to let settlement funds be deposited into the Attorney General's Litigation Fund.
- 2.) Adopt supplemental reporting language directing the energy agencies and the Department of Justice to report on the statutes and procedures under which these settlements are entered into, how decisions are made over how settlement funds are spent, and priorities for expenditure of these funds.
- 3.) Adopt the LAO recommendation, and direct staff, the LAO, the Attorney General, and the energy agencies to develop trailer bill language to redirect electricity settlement funds to a fund to appropriated by the Legislature.

Action

## 5430 BOARD OF CORRECTION

### 1. May Revise: Administration of Juvenile Justice Crime Prevention Act Funds

**Finance Letter Request.** This Finance Letter proposes trailer bill language to amend Government Code Section 30061 in order to provide the Board of Corrections (BOC) the necessary funding to administer the Juvenile Justice Crime Prevention Act (JJCPA), created pursuant to Chapter 353, Statutes of 2001. Specifically, the proposed amendment would authorize the Department of Finance to allocate up to \$275,000 of the funds appropriated for the JJCPA to the BOC for the purpose of administering the program, including providing technical assistance to local Juvenile Justice Coordinating Councils, reviewing and approving modified plans to ensure consistency with statutory requirements, and maintaining and updating various reporting systems. This level of funding is consistent with funding provided to the Board in previous budgets, however funding was provided as a direct General Fund

appropriation to the Board. This proposal would allocate funding to the BOC from the \$116.3 million General Fund proposed in the 2003-04 Governor's Budget.

*Staff Recommendation.* Staff recommends adoption of the trailer bill language with modification noted below in issue # 2.  
Action.

## **2. Local Juvenile Detention Facility Inspection Program.**

*Budget Request.* The budget proposes a reduction of \$176,000 and two positions related to the Local Juvenile Detention Facility Inspection Program. To implement the reduction, the administration proposes budget trailer bill language to amend Welfare and Institutions Code Section 209 in order to delete the power of the board in enforcing local juvenile facility standards.

*Issue.* The proposal would remove the board's power to enforce its own Juvenile Facility Standards affecting county juvenile halls and jails holding minors. More than 100,000 California children each year are booked into these facilities.. The board's standards affect staffing ratios, health services, food quality, environmental safety and other factors related to the welfare of all of these confined juveniles.

*Staff Recommendation.* Given the potential liabilities that local jurisdictions could face if the facilities do not meet standards, staff recommends rejecting the reduction and the proposed trailer bill language. Instead, staff recommends adding language to the Administration of Juvenile Justice Crime Prevention Act trailer bill (item #1 above) to authorize up to \$176,000 of the administration money for juvenile facility inspections.  
Action.

## **3. Elimination of the Corrections Training Reimbursements**

*Budget Request.* The budget proposes a reduction of \$16.2 million from the Corrections Training Fund and elimination of the program that reimburses the cost of training of local correctional officers.

The program reimburses local law enforcement agencies for travel, per diem, cost of replacement officers, and some tuition costs associated with sending correctional officers to training. In 2001-02 the board reimbursed local agencies a total of \$16.7 million, and is estimated at \$17.2 million in the current year. The BOC indicates that the program funds approximately one-third of the total costs associated with the training.

*May Revise Finance Letter Request.* It is requested that Item 5430-002-0170 be amended to reflect a \$558,000 reduction in the amount transferred to the General Fund due to lower revenue estimates from the Penalty Assessment Fund. The revised transfer amount would be \$9,606,000.

*Staff Recommendation.* Due to the condition of the General Fund, staff recommends approval of this proposal with the Finance Letter change.  
Action.

## 5460 Department of the Youth Authority

### Issues

#### 1. Sliding Scale Adjustment.

*Budget Request.* The budget proposes an increase of \$7.1 million in reimbursements from counties and a corresponding savings in General Fund to adjust for inflation the County Sliding Scale Fee assessed to counties for commitments to the CYA. The administration proposes trailer bill language to implement this change.

The trailer bill legislation would adjust the monthly fee for category I – IV commitments from \$150 to \$176, category V from \$1,300 to \$1,521, category V from \$1,950 to \$2,281, and category VII from \$2,600 to \$3,042 to account for inflation.

*May Revise Letter: Adjust Sliding Scale Reimbursements.* An increase of \$1,074,000 General Fund and a decrease of \$1,074,000 to Reimbursements are proposed to reflect the effect of revised population estimates that project fewer juvenile commitments than initially projected in the Governor's Budget. This revision is necessary to adjust the proposal in the Governor's Budget, which reduced General Fund and increased Reimbursements to reflect a 17 percent increase to the fees charged to the counties for commitments to the Youth Authority.

*LAO Recommendation.* The LAO indicates that there was a minor error in how the \$1,074,000 was calculated. The population number assumed by Finance in the calculation was slightly lower than what the actual population should be. The corrected amount of reimbursements should be a decrease of \$872,508 and a commensurate increase in the General Fund of \$872,508.

*Staff Recommendation.* Staff recommends approval of the proposal and the LAO's recommended adjustment to the May Revise Finance Letter.  
Action.

#### 2. Proposition 98 Funding

*Background.* Unlike other school districts, the CYA is ineligible for most categorical sources of Proposition 98 funding and must rely on the funding it receives based on a ratio formula to cover almost all of the expenses for operating its accredited schools. The current student-teacher staffing ratios at CYA are:

Non-special education teachers -- 15:1  
Special education resource specialists -- 28:1  
Special education teaching assistants -- 35:1  
Emotionally Learning Handicapped Teacher – 12:1  
Emotionally Learning Handicapped Teacher Assistants – 35:1  
Language, Speech and Hearing Specialist -- 55:1

These staffing ratios have not changed in at least the last 20 years. For purposes of assumptions for special education needs, the proposal assumes 23 percent of the wards at CYA have identifiable special education needs. This assumption has also not changed recently, and may not accurately reflect the CYA's current population.

Serious questions have been raised about the quality of education services provided in CYA. For example, the Inspector General in a January 2001 audit of the Nelles facility found a shortage of teachers and qualified substitutes who are willing to work inside the facility. The teacher shortage is especially severe in special education. In addition, the audit found that the special education services were severely compromised, with only between 38 and 77 percent of wards receiving adequate special education services. Similar findings resulted from the Inspector General's October 2000 audit of the Stark facility.

*Supplemental Report Language.* Last year, the Legislature adopted Supplemental Report Language directing the CYA to report on the methodology for determining the level of education funding in its caseload adjustments. The report, due November 1, 2002, has not been received by the Legislature.

*Staff Recommendation.* Pending receipt and review of the supplemental report on Proposition 98 formulas within , staff recommends not reducing Proposition 98 funds in the next issue – related to the May Revise ward population assumptions.

Action.

### **3. Ward Population Adjustment.**

A net reduction of \$2,358,000 and 31.1 positions is proposed for the budget year to reflect revisions to the projected changes in ward and parole populations. This overall reduction is composed of an increase to Item 5460-001-0001 of \$4,232,000, a decrease of \$5,132,000 in Reimbursements and a reduction to Item 5460-011-0001 of \$1,458,000 (Proposition 98).

The revised institutional population for the budget year is projected to be 4,555 which are 540 fewer than anticipated in the Governor's Budget. The Youth Authority (YA) projects a year-end parole population of 4,040, an increase of 210 from the level assumed in the Governor's Budget.

*Staff Recommendation.* Staff recommends approval of the General Fund augmentation and the decrease in Reimbursement proposed in the Finance Letter, but staff recommends not approving the \$1.5 million Proposition 98 reduction.

Action.

### **4. May Revise: Consolidation of the Youthful Offender Parole Board**

*Finance Letter Request.* An increase of \$1,518,000 General Fund and 14.2 positions to implement the requirements of Chapter 4, Statutes of 2003 (Senate Bill 459), which consolidates the functions of the Youthful Offender Parole Board into the Youth Authority, effective January 1, 2004.

*Staff Comments.* The May Revise includes a proposal to reduce the YOPB budget by \$1.6 million, which would be a \$100,000 savings for a half year by consolidation.

*Staff Recommendation.* Staff recommends that the increase at YA be reduced to \$1.3 million to achieve half year savings of \$300,000 from the consolidation.

Action

## 5. Facility Closure Plan

*Issue.* In the last seven years, the CYA has experienced dramatic reductions in its caseload, from more than 10,000 wards in 1996 to an estimated ward population of 4,555 by the end of the budget year. While CYA's population has declined by nearly 50 percent since 1996, that department's expenditures have failed to decline at a comparable pace. Expenditures have dropped by about 26 percent in inflation adjusted dollars over this period. As CYA's ward population has downsized, many fixed costs remain intact. As of November 2002, 24 living units were closed at CYA facilities. This policy prevents CYA from gaining any potentially significant savings associated with consolidation and forces the department to continue supporting its full infrastructure and overhead with a smaller budget. As CYA's ward population continues to drop, the average institution cost per ward (adjusted for inflation) has steadily risen from \$43,500 in 1996 to nearly \$66,000 by December 2002.

**May Revise Finance Letter: Consolidation Plan.** The Finance Letter proposes a decrease of \$3,025,000 General Fund and \$793,000 Proposition 98 General Fund due to the closure of the Karl Holton Youth Correctional Facility at the Youth Authority's Stockton complex to accommodate the continuing decline in the Department's juvenile offender population.

*Staff Comments.* Last year, the Legislature directed DOF to develop a closure plan include the closure of at least 3 facilities by June 2005. The completed plan included the closure of the Holton facility and the male portion of the Ventura facility by the end of the budget year.

*Ventura Facility.* The Ventura facility was chosen in the report due the needs of the female population, including separation from the males. The OIG has found that efforts to keep male and female wards physically separate causes services to be duplicated, delayed, or otherwise hampered; prevents the institution from providing equal services to males and females; and results in wards at Ventura not receiving services provided to wards at other institutions.

*Staff Recommendation.* Staff recommends approving the Finance Letter to achieve savings of \$3 million General Fund and \$793,000 for Proposition 98 funds. In addition, staff recommends approving the closure of the male portion of Ventura by March 1, 2004 for a savings of \$621,000 General Fund in the budget year. The full year savings in 2004-05 from these actions are estimated to be \$3.6 million for the Holton facility, and \$5.3 million for the Ventura facility.

Action.

## 6. Treatment Programs

*Analyst's Recommendation.* The LAO recommends that the Subcommittee adopt the following Supplemental Report Language regarding the CYA's treatment programs:

The California Youth Authority shall annually submit a report to the Legislature on or before January 10 on their treatment programs. The report shall include the following: (1) a list and description of the treatment programs and their availability at each institution; (2) placement criteria for each program that describes the criteria used to assign wards to treatment programs and the testing instrument that determines placement; and (3) a plan to evaluate their treatment programs that includes program goals and performance measures, a timeline for an evaluation of each of their programs, and whether the evaluation will be conducted within existing resources or will require additional funding.

In addition, the Department of Finance, in consultation with the Legislative Analyst's Office, shall develop a detailed budget display for treatment programs that includes the annual funding levels for the Youth Authority's mental health, sex offender, and drug treatment programs. The budget display shall be included in the Governor's January 10, 2004 budget document and annually thereafter.

Action.

## **8120 Commission on Peace Officer Standards and Training (POST)**

### **California Freedom of Access to Clinic and Church Entrances Act**

*Proposal.* The Subcommittee has received a request from Senator Ortiz and the Anti-Defamation League to adopt Supplemental Report Language that will assist with the implementation of SB 780, known as the California Freedom of Access to Clinic and Church Entrances Act (Chapter 899, Statutes of 2001). The Supplemental Report Language will assist in further pursuing what is outlined in the intent of the measure, which is to require the Commission on Peace Officer Standards and Training to include in its guidelines, course of instruction, and training on “hate crimes” the information it developed pursuant to SB 780 that focused on the overlap between hate crimes, antigovernment extremist crimes, and anti-reproductive-rights crimes of violence.

In recognition of the fact that these crimes are often perpetrated by the same persons or groups, section 1(d)(2) of California FACCEA requires that law enforcement instruction and training courses on antigovernment extremist crimes and hate crimes also include information on anti-reproductive-rights crimes of violence. The proposed Supplemental Report Language will implement this section, directing the Commission on Peace Officer Standards and Training to carry out that training mandate. The proposed language further requires the Commission to consult ADL and other subject-matter experts on the training course guidelines and materials:

The Commission shall carry out the legislative intent of the second sentence of Section 1(d)(2) of Chapter 899, Statutes of 2001, and shall consult subject-matter experts including but not limited to the Anti-Defamation League (ADL) in San Diego, California Anti-Terrorism Information Center in the Department of Justice, California Council of Churches, Center for the Study of Hate and Extremism at the California State University in San Bernardino (CSUSB), Feminist Majority Foundation, National Abortion Federation, Planned Parenthood Federation of America, Sacramento Human Relations and Fair Housing Commission, Senate Office of Research, Sociology Department of the University of West Florida in Pensacola, Southern Poverty Law Center, and U.S. Attorney for the Eastern District of California.

*Staff Recommendation.* Staff recommends adoption of the Supplemental Report Language.  
Action.

## Control Section 24.10 – Driver Training Fund Transfers

### May Revise: Transfer to the Corrections Training Fund.

The May Revise proposed language to transfer \$14 million to the Peace Officers Training Fund (POTF) pursuant to Control Section 24.10 or order to provide sufficient resources in the POTF to continue funding the local law enforcement training program. The Finance Letter reinstating the program was included on the consent calendar at the front of the agenda.

In addition, the Assembly Budget Committee has also funded the \$3 million for the Witness Protection Program through a transfer in Control Section 24.10. At its hearing on May 8, the Subcommittee approved a Finance Letter to fund the Witness Protection Program from the General Fund. Should the Subcommittee wish to take the same action to have this issue avoid conference, staff recommends adoption of the following language in Control Section 24.10 and rescinding the prior action on the DOJ Finance Letter.

SEC. 24.10 (a) Notwithstanding Section 1464 of the Penal Code or Section 41304 of the Education Code, the first one million one hundred six thousand dollars (\$1,106,000) received by the Driver Training Penalty Assessment Fund for the 2003-04 fiscal year shall be available for the purposes of Item 6110-001-0178 of Section 2.00 of this act. The amount retained by the Driver Training Penalty Assessment Fund for the purposes of Item 6110-001-0178 may be adjusted by the Department of Finance for actions pursuant to any control section of this act.

(b) After moneys are retained by the Driver Training Penalty Assessment Fund pursuant to subdivision (a), the Controller shall transfer any remaining balances as follows: \$4,121,000 to the Victim Witness Assistance Fund, \$3,000,000 to the General Fund for the amount appropriated in Item 0820-001-0001 Schedule (9) and Item 0820-101-0001 Schedule (2) to support the Witness Protection Program, and \$14,000,000 to the Peace Officers' Training Fund. Any remaining unallocated moneys in the Driver Training Penalty Assessment Fund shall be transferred to the General Fund.

*Staff Recommendation.* Staff recommends adoption of the revised budget bill language to include a transfer of \$3 million through Control Section 24.10 to the Witness Protection Program, and a conforming action to rescind the prior action to provide a direct General Fund appropriation for the program. Action.

## 8700 California Victim Compensation and Government Claims Board

### 1. May Revise: General Fund Loan to the Restitution Fund

*Request.* This Finance Letter requests that language be added to Item 8700-001-0214 to authorize a loan from the General Fund in 2003-04 to meet the cash flow needs of the Victim Compensation Program, resulting from the delay in receipt of federal fund reimbursements from the Victims of Crime Act. The proposed budget bill language for the loan requires that it be paid by May 30.

2. The Director of Finance may authorize a loan from the General Fund to the Restitution Fund in an amount not to exceed the amount appropriated in this item, provided that:
  - (a) The loan is to meet cash needs resulting from the delay in receipt of federal funds to support the Victim Compensation Program.
  - (b) The loan is short-term, and shall be repaid by May 30 of the fiscal year in which the loan is authorized.
  - (c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.
  - (d) The Director of Finance may not approve the loan unless the approval is made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations not later than 30 days prior to the effective date of the approval, or not sooner than whatever lesser time the chairperson of the joint committee or his or her designee may determine.

*Staff Recommendation.* Staff recommends approval of the budget bill language authorizing a short-term loan.

Action.

### 2. May Revise: Restitution Fund

As discussed at the March 6 hearing, the Restitution Fund will have a negative balance in the budget year without additional actions to decrease expenditures and increase revenues. As part of the original budget submission, the department proposed a number of trailer bill provisions. At the hearing on March 6, the Subcommittee advised the department to seek some of the proposed trailer bill provisions through introducing a bill that would go through the regular policy process.

As part of the May Revision, the administration has withdrawn the previous trailer bill request and is requesting trailer bill that would include the following:

- Provisions limiting the aggregate award available to victims and derivative victims to \$70,000 per victimization.
- Provisions that increase the minimum mandatory restitution fines for misdemeanor convictions from \$100 to \$250 and for felony convictions from \$250 to \$500.
- An increase to the limits on restitution diversion fees. The \$100 minimum restitution diversion fee would be increased to \$250 for a person charged with a misdemeanor and \$500 for a person charged with a felony. The \$1,000 maximum restitution diversion fee would be increased to \$3,000.
- A provision that would authorize the Board to reduce reimbursements to service providers by a percentage that would be determined annually, based on an analysis of revenue projections. The providers would agree in advance to accept this percentage as payment in full.

*Staff Recommendation.* Staff recommends adoption of the administration's proposed TBL with the addition of a 2 Year Sunset on new fees, and trailer bill language to allow the court to consider the defendants ability to pay.

In addition, staff recommends adoption of place holder TBL to direct Judicial Council to establish workgroup of stakeholders to evaluate the cumulative and marginal impact of statutorily imposed restitution fines on collections and offender's actual ability to pay, and make recommendation to the Legislature by Feb. 2004.

Action.

## **5480 Commission on Correctional Peace Officers' Standards and Training**

CPOST is composed of six commissioners serving four-year terms. Two commissioners are appointed by, and represent, the management of the Department of Corrections, and one commissioner is appointed by, and represents, the management of the Department of the Youth Authority. Three Commissioners are appointed by the Governor upon recommendation by, and representing the membership of, the California Correctional Peace Officers' Association. Since of July 1, 2000, the CPOST has been separate from the Youth and Adult Correctional Agency, functioning as an independent entity within this agency.

*Budget Request.* The budget proposes total expenditures of \$2.2 million from the General Fund and 18.5 positions to develop, approve, and monitor selection and training standards for California's correctional peace officers. This amount is an increase of \$52,000, or 2.5 percent above current year expenditures.

*Staff Comments.* The Program oversees the correctional peace officer apprenticeship program and monitors selection and training standards for correctional peace officers in CDC and CYA..

*Staff Recommendation.* Prior to changes made in 2000-01, the budget for this department was \$628,000 and 3 positions. In 1998 legislation was enacted to further define the responsibilities of the CPOST to include development, approval and monitoring of training standards in the CDC and CYA training programs. The initial reviews, which involve the most intensive workload, should be largely completed. Therefore less staff resources should be necessary to update and monitor curriculum that has already been approved. In light of the budget shortfall, this may be an area which can be reduced. Staff recommends a reduction of \$1.1 million, or 50 percent to this department.

Action

## 5240 DEPARTMENT OF CORRECTIONS

### 1. May Revise Population Estimates.

A net increase of \$58,467,000 and 698 positions is proposed to reflect revisions in the projected growth of inmate and parole populations. This increase is composed of an increase of \$58,987,000 General Fund, and a decrease of \$520,000 from the Inmate Welfare Fund.

Adjusted for recent population trends, the June 30, 2004 population is projected to be 161,287, which is 248 more than anticipated in the 2003-04 Governor's Budget, and represents an increase of 755 to the revised June 30, 2003 estimated inmate population.

The projected parolee population for June 30, 2004, when adjusted for recent population trends, is 115,467. This amount is 80 more than was anticipated in the 2003-04 Governor's Budget and represents a decrease of 1,082 to the revised parolee population level estimated for June 30, 2003.

*Staff Comments.* The DOF indicates that while the changes in population are relatively minor, the Department has incurred costs to realign its bed availability with the type and level of inmates it houses. In addition, there are costs resulting from various other adjustments, as well as the budget year component of estimated savings that did not materialize in 2002-03.

*Staff Recommendation.* The Subcommittee may wish to ask the CDC or DOF to explain what is meant by realigning bed availability. Staff recommends approval of the Finance Letter.  
Action

### 2. Overtime Use

After discussions of overtime at the hearing on April 24, the CDC provided the Subcommittee with additional information on overtime use at the department. In a six month period between October 2002 and March 2003, an average of 392 correctional officers worked over 80 hours of overtime in a month.

For safety reasons, in order to reduce that amount of excessive overtime the Subcommittee may wish to adopt the following trailer bill language:

The Department of Corrections shall establish a standardized monthly overtime cap for correctional officers not to exceed 80 hours per month. This cap shall not conflict with any existing provisions of the Bargaining Unit 6 Memorandum of Understanding.

*Staff Recommendation.* Staff recommends adoption of the trailer bill language.  
Action.

### 3. DMH Bed Utilization

*Analyst's Recommendation.* The CDC contracts with the Department of Mental Health (DMH) for beds in state hospitals for CDC inmates. Because CDC continues to use fewer beds (as of early May, the number was 146) than the number budgeted (180), however, the LAO recommends that the

subcommittees with jurisdiction over the CDC budget reduce that budget by about \$2.7 million from the General Fund to reflect the ongoing usage of 146 beds. If this action were taken, a conforming \$2.7 million reduction in reimbursements in the DMH budget would be appropriate.

The LAO notes that budget bill language remains in the CDC budget item allowing the department to obtain additional funding later in the fiscal year were its usage of state hospital beds to increase above the level initially budgeted. This language is intended to ensure CDC has no problem complying with federal court requirements in cases relating to CDC's care of mentally ill inmates.

*Staff Recommendation.* Staff recommends approving the LAO recommendation to reduce the CDC budget by \$2.7 million.

Action

#### 4. Administrative Time Off

On May 8, 2003 The Select Committee on the California Correctional System and the Select Committee on Government Oversight held a joint hearing regarding the CDC's practices related to long-term administrative time-off (ATO) cases.

*Staff Recommendation.* Staff recommends that the Subcommittee request the CDC to detail the actions it has taken and will take to resolve the identified length and cost issues associated with long-term ATO cases. The Subcommittee may also wish to have the CDC provide a written progress update to this Subcommittee in 30 days.

Action

#### 5. Local Assistance Expenditures

The CDC is appropriated local assistance through the Institutions Program. Through this program, the CDC distributes funding, on a reimbursement basis, to counties for three activities: (1) Transportation of prisoners, (2) Return of Fugitives, and (3) County Charges for holding inmates in jails and Court Costs. The proposed budget for CDC local assistance is \$31 million. In the current year, there was a one time-augmentation of \$9 million for local assistance.

The Department of Corrections has submitted a deficiency request of \$62.3 million for local assistance to the Department of Finance. The deficiency requests that were forwarded by the DOF at the time of the May Revise do not include any request for local assistance funding. Without additional funding, the CDC will expend its total local assistance appropriation for the budget year on July 1, to pay off less than half of the estimated costs incurred in the current year and will have no funding to pay for local assistance incurred in the budget year.

The CDC indicates that one reason for the increased local assistance has been due to the *Armstrong* and *Valdivia* court cases which have increased the time it takes to process inmates at reception centers.

*Staff Comments.* The Subcommittee may wish to ask CDC what likely impact not funding the local assistance deficiency in the current year will have on its operations in the budget year.

Informational Issue

## CDC Reforms &amp; Efficiencies

	Net GF Savings (\$in millions)	
	2003-04	2004-05
<b>Institutions</b>		
<b>Reject Activation of NCWF as Reception Center.</b> <i>The Administration proposes to convert the Northern California Women's Facility (NCWF) into a reception center. This additional capacity will not be needed if parole reforms (see parole section) are adopted. Also reject \$10.8 million revenue bonds for facility.</i>	0	28.4
<b>Restructure Education and Vocational Training Programs.</b> Under current law, eligible inmates in education and vocational training programs may receive day-for-day credits. However, many inmates are unable to participate because there are not enough programs available to meet the need. This increases custody time and state costs. Failing to provide education and training also reduces an inmate's potential for successful reintegration in the community upon release.  <i>This proposal restores \$10.9 million to avoid the elimination of existing education and art program staff. It also would provide an additional \$10 million to establish education programs in reception centers. Education programs would be restructured, subject to collective bargaining, to maximize state savings, estimated at \$54.8 million, and reduce inmate recidivism.</i>	27.5	51.5
<b>Eliminate CCF Contracts for 3 Facilities.</b> CDC now contracts with five Community Correctional Facilities (CCF) to house low level offenders. These facilities are marginally more expensive than incarcerating these inmates in state prison.  <i>CDC indicates that a \$400,000 could be achieved in 2003-04 by eliminating the contract at the following CCF institutions: McFarland, Mesa Verde, and Eagle Mountain.</i>	0.4	0.9
<b>Increase Academy Slots by 640 cadets per year to reduce Overtime.</b> This year's "mid-year reduction package" accelerated the academy program to reduce costs, but it did not increase the number of cadets who could enroll.  <i>By increasing the number of academy graduates and establishing more correctional officer positions, CDC can reduce its deficiency for overtime costs. It costs \$8.6 million to fund the Academy costs.</i>	4.5	7.8

<p><b>Drug Treatment Furlough.</b> Current law (Penal Code Section 6258.1) allows non violent inmates to be placed in a community treatment program for the last 120 days before release. This approach would reduce costs and improve the effectiveness of CDC's existing drug treatment program, which includes a residential aftercare component for 50% of the inmates who parole from the program. The Department now contracts for approximately 2,900 residential aftercare beds.</p> <p><i>Under the proposal inmates would receive drug treatment in a supervised, community residential program for the final 120 days of the inmate's sentence. The estimated net savings reflects a reduction in institution population and an increase in parole supervision costs.</i></p>	20.1	61.0
<p><b>Medical Parole.</b> In an effort to reduce CDC's escalating health care costs, SB 278 by Senator Ducheny, has been introduced to authorize the medical parole of severely ill inmates who are not a threat to public safety. CDC now houses approximately 120 inmates in long term care facilities.</p> <p><i>These potentially expensive inmates would be placed in an appropriate medical facility and would be eligible for SSI and Medi-Cal. This would allow the federal government to pay half of the health care costs for inmates. In addition, the state would save custody and medical transportation costs.</i></p>	5	5

<b>Parole</b>		
<p><b>Mentally Ill Parolees.</b> With initial funding provided by the Legislature in 1999, this existing program provides pre-release planning and enhanced community treatment services for mentally ill parolees. This program has demonstrated impressive results by reducing recidivism 59.7% to 16.5%.</p> <p><i>This proposal would authorize the program to expand in order to provide services to an additional 5,250 mentally ill parolees in 2003-04. The program currently has 28.5 PY vacancies and another unestablished 26 PY's. In addition, funding would allow the program to provide appropriate medication for parolees for 90 days after release from prison.</i></p>	10.3	20.6
<p><b>Reduce Recidivism Through Pre-Release Planning &amp; Re-Entry Programs.</b> The CDC revokes approximately 74,000 parolees annually. A 5% reduction in these recidivism rate would result in a savings of \$28.7 million. To achieve this reduction, CDC would be directed to develop an integrated parole program that would (1) prepare inmates for community re-integration through pre-release planning; (2) develop a new risk assessment tool to ensure that parole supervision is targeted in a consistent and effective manner; and (3) expand the existing PACT program so that parolees have access to available community services upon release.</p> <p><i>When fully phased in, annual costs are estimated at \$12.9 million for parole staff and contracts with community based organizations.</i></p>	7.9	15.8
<p><b>Substance Abuse Treatment &amp; Control Units (SATCU) &amp; Community Detention</b> Approximately, 32,000 low level parolees (no underlying violent or serious commitment offense and no violent or serious priors) become parole violators annually and spend an average of 153 days in custody – 72 days in jail pending revocation (\$59 a day) and another 81 days in prison – most likely a reception center – (\$43 a day). The custody cost for these low level parole violators is \$247.4 million. Further, no programs are available to help reduce the high recidivism risk – particularly related to substance abuse -- for these parole violators.</p> <p><i>Under this proposal, Parole would implement policies that would employ appropriate sanctions for parole violations based on the offense and underlying public safety risk of the parolees. In addition, existing programs would be expanded to provide Parole with placement alternatives:</i></p>	50.4	100.8

<ul style="list-style-type: none"> <li>• <i>Substance Abuse Treatment Control Units (SATCU).</i> The expanded SATCU program would target parole violators who are not eligible for Prop 36. The SATCU would include 30 day “dry-out” in jails combined with intensive drug treatment followed by supervised outpatient programming for additional 90 days. Assumes 16,000 parole violators would be placed in SATCU’s. The program cost is estimated at \$63.6 million. Net Annual Savings: \$60.5 million.</li> <li>• <i>Community Detention.</i> Short-term (45 day) sanctions could include placement in an existing Community Correctional Re-Entry Centers (CCRC’s), home detention, and electronic monitoring. Parolees would be able to maintain their jobs or school programs, but would be required to return home under a curfew. Assumes about 8,000 violators would be placed into community detention. Program cost estimated at \$21.5 million. Net Annual Savings: \$40.3 million.</li> </ul>		
<b>Other</b>		
<p><b>Felony Drug Court Expansion.</b> Based on an evaluation that demonstrated significant prison bed savings, the 2002-03 Budget restructured the Drug Court Partnership Program to prioritize services on felons. The first quarter data of the new program is already showing impressive results indicating that for every \$1 invested in the program, the state saves \$1.60 in avoided prison costs.</p> <p>The Senate Budget Subcommittee #3 has adopted a proposal to expand this program administered by the Department of Alcohol and Drug Programs (DADP) and the Administrative Office of the Court.</p> <p><i>Based on the Sub#3 action, it is estimated that this will result in a reduction to CDC’s inmate population and result in a savings of \$17.4 million. The net savings to the general fund is \$12.1 million.</i></p>	12.1	12.1
<b>Total</b>	<b>138.2</b>	<b>303.9</b>

## 8100 Office of Criminal Justice Planning

### 1. Hearing of the Select Committee on Governmental Oversight

At a hearing on March 4, the Senate Select Committee on Governmental Oversight reviewed operations at OCJP. At the hearing, the committee discussed a broad range of topics, including the BSA audit, the LAO consolidation recommendation, as well as issues related to the efficiency and effectiveness of OCJP.

*Recommendations of the Select Committee on Government Oversight.* The Select Committee recommends elimination of 24 management positions for a savings of an estimated \$3.5 million. The Committee notes that while the Governor has proposed putting the OCJP under the new Office of Homeland Security, giving OCJP a new home does not erase the fact that this program is heavily bloated with management personnel. The committee found that OCJP's span of control of 3.3 employees per manager appears to be the most overdone in state government and has indicated that there is simply no justification for staffing nine exempt managers and twenty-five other managers in an agency with only 111 administrative staff. The Committee further notes that the Governor's budget proposed deleting 6.4 positions, none of them management or supervisory cuts. The Legislative Analyst has proposed eliminating 17 management positions. The Committee recommends that the Legislature should go further by fully eliminating 24 high-end management position.

In addition, upon review of OCJP's audit functions, the Committee noted that OCJP has a \$300,000 contract with Department of Finance to perform audits of individual OCJP programs. The agency provided no justification for this contract which should be voided. The Committee also recommends that this funding be deleted from OCJP's budget.

*Staff Recommendation.* Staff recommends eliminating 24 management positions at OCJP and deleting the \$300,000 audit contract with DOF from OCJP's budget.  
Action.

### 2. Vertical Prosecution Block Grants

*Background.* The following are five Vertical Prosecution Programs funded through OCJP.

Vertical Prosecution Programs	
<b>Elder Abuse Vertical Prosecution.</b> Established in 1999, program enhances or creates specialized vertical prosecution units in DA's offices. Grantees: Alameda, Amador, Butte, Fresno, Lake, Los Angeles, Placer, Riverside, Sacramento, San Diego, San Francisco, San Joaquin, Shasta, Tulare, Ventura, Yolo, Yuba.	2,218
<b>Child Abuser Vertical Prosecution.</b> Established in 1985, program enhances or creates specialized vertical prosecution units in DA's offices. Grantees: Alameda, Placer, Orange, Monterey, San Joaquin, Santa Clara, Santa Cruz, Trinity, Tulare, and Yuba County	1,304
<b>Vertical Prosecution of Statutory Rape Program.</b> Established in 1995, program enhances or creates specialized vertical prosecution units in DA's offices. Funds programs in 54 counties.	6,770
<b>Major Narcotic Vendors Prosecution Program.</b> Established in 1984, program enhances or creates specialized vertical prosecution units in DA's offices. Grantees: Alameda, Contra Costa, Fresno, Kern, Los Angeles, Orange, Riverside, Sacramento, San Bernadino, San Diego, San Francisco, San Joaquin, Santa Barbara, Santa Clara,	2,641

Shasta, Sonoma, Stanislaus, and Tulare.	
<b>California Career Criminal Prosecution Program.</b> Established in 1977, program enhances or creates specialized vertical prosecution units in DA's offices. Grantees: Alameda, Contra Costa, Kern, Los Angeles, Merced, Monterey, Orange, Riverside, Sacramento, San Bernadino, San Diego, San Francisco, San Joaquin, Solano, Sonoma, Stanislaus, and Tulare.	3,637

1. In order to achieve administrative savings, consolidating the existing vertical prosecution programs into a single block grant would streamline the program and facilitate additional local flexibility.

2. Last year, the Subcommittee approved a Finance Letter that reducing these and other OCJP grants by 50 percent. Only the vertical prosecution funds were ultimately restored.

*Staff Recommendation.* Staff recommends (1) consolidation of these grants into a single block grant with an allocation formula to be determined, and (2) a 50 percent reduction in the total amount for a savings of \$8.3 million.

Action

### **Homeless Youth Project and the Youth Telephone Emergency Referral**

The Youth Crisis Hotline provides 24-hour crisis counseling and referral services for runaway and homeless youth. Last year the funding for this program was cut in half to less than \$600,000 and then was further reduced in the mid-year revisions and the budget by another \$45,000. The California Coalition for Youth has contacted the Subcommittee to request the following budget bill language to ensure that these programs do not receive additional cuts in the budget year.

Budget Control Language for section 8100-101-001:

3. The Office of Criminal Justice Planning shall at minimum, maintain all matching federal discretionary funds for the Homeless Youth Project and the Youth Telephone Emergency Referral for at least this budget year to allow the contracting agencies to secure other stable funding sources and the Office shall work cooperatively to sustain these programs at or above current levels.

*Staff Recommendation.* Staff recommends adoption of the proposed budget bill language.